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BEFORE THE ARIZONA CORPORATION COMMISSION
AZ CORP COMMISSION
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2016 AUG 11 P 1:38

1
2 COMMISSIONERS

3 DOUG LITTLE, Chairman
4 BOB STUMP
5 BOB BURNS
6 TOM FORESE
7 ANDY TOBIN

8 IN THE MATTER OF:

9 JOHN ANTHONY WASZOLEK (CRD NO.
10 800403) and KATHLEEN WASZOLEK,
11 husband and wife,

12 Respondents.

DOCKET NO. S-20977A-16-0242

13 **RESPONDENTS JOHN ANTHONY**
14 **WASZOLEK AND KATHLEEN**
15 **WASZOLEK'S ANSWER TO NOTICE**
16 **OF OPPORTUNITY FOR HEARING**
17 **REGARDING PROPOSED ORDER FOR**
18 **RESTITUTION, ORDER FOR**
19 **ADMINISTRATIVE PENALTIES,**
20 **ORDER OF REVOCATION AND**
21 **ORDER FOR OTHER AFFIRMATIVE**
22 **ACTION**

23 Respondents John Anthony Waszolek ("Mr. Waszolek") and Kathleen Waszolek ("Mrs.
24 Waszolek") (collectively, "Respondents") submit their Answer to the Notice of Opportunity for
25 Hearing Regarding Proposed Order for Restitution, Order for Administrative Penalties, Order for
26 Revocation and Order for Other Affirmative Action ("Notice"). Respondents respond to the
27 numbered paragraphs of the Notice as follows:

23 ...
24 ...
25 ...
26 ...
27 ...

Arizona Corporation Commission

DOCKETED

AUG 11 2016

DOCKETED BY *KA*

BASKIN RICHARDS PLC
2901 North Central Avenue
Suite 1150
Phoenix, AZ 85012
TELEPHONE NO 480-968-1225
FACSIMILE 480-968-6255

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PARAGRAPH	ANSWER
1	Admit
2	Admit
3	Respondents admit Kathleen Waszolek is John Waszolek's spouse. Respondents lack sufficient knowledge or information to answer the remaining allegations in this paragraph.
4	Deny
5	Admit
6	Admit
7	Admit
8	Admit
9	Admit
10	Admit
11	Admit
12	Admit
13	Admit
14	Admit
15	Admit
16	Admit
17	Admit
18	Admit
19	Admit

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PARAGRAPH	ANSWER
20	Admit
21	Admit
22	Admit
23	Admit
24	Respondents lack sufficient knowledge or information to answer this paragraph.
25	Admit
26	Respondents lack sufficient knowledge or information to answer this paragraph.
27	Respondents lack sufficient knowledge or information to answer this paragraph.
28	Respondents lack sufficient knowledge or information to answer this paragraph.
29	Deny
30	Admit
31	Admit
32	Respondents lack sufficient knowledge or information to answer this paragraph.
33	Respondents lack sufficient knowledge or information to answer this paragraph.
34	Admit
35	Admit
36	Admit
37	Admit
38	Admit

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PARAGRAPH	ANSWER
39	Admit
40	Admit
41	Admit
42	Admit
43	Deny
44	Respondents lack sufficient knowledge or information to answer this paragraph.
45	Admit
46	Admit
47	Deny
48	Respondents lack sufficient knowledge or information to answer this paragraph.
49	Admit
50	Admit
51	Respondents lack sufficient knowledge or information to answer this paragraph.
52	Respondents lack sufficient knowledge or information to answer this paragraph.
53	Respondents lack sufficient knowledge or information to answer this paragraph.
54	Respondents lack sufficient knowledge or information to answer this paragraph.
55	Respondents lack sufficient knowledge or information to answer this paragraph.
56	Admit

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PARAGRAPH	ANSWER
57	Admit
58	Respondents lack sufficient knowledge or information to answer this paragraph.
59	Respondents lack sufficient knowledge or information to answer this paragraph.
60	Respondents lack sufficient knowledge or information to answer this paragraph.
61	Respondents lack sufficient knowledge or information to answer this paragraph.
62	Respondents lack sufficient knowledge or information to answer this paragraph.
63	Respondents lack sufficient knowledge or information to answer this paragraph.
64	Respondents lack sufficient knowledge or information to answer this paragraph.
65	Respondents lack sufficient knowledge or information to answer this paragraph.
66	Respondents lack sufficient knowledge or information to answer this paragraph.
67	Admit
68	Admit
69	Admit
70	Admit
71	Admit
72	Admit
73	Admit

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PARAGRAPH	ANSWER
74	Admit
75	Admit
76	Admit
77	Admit
78	Admit
79	Admit
80	Admit
81	Deny
82	Deny
83	Respondents lack sufficient knowledge or information to answer this paragraph.
84	Admit
85	Admit
86	Admit
87	Respondents lack sufficient knowledge or information to answer this paragraph.
88	Admit
89	Admit
90	Admit
91	Admit
92	Admit
93	Admit
94	Admit

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PARAGRAPH	ANSWER
95	Admit
96	Deny
97	Deny
98	Deny

99. Respondents deny every allegation not specifically admitted herein.

AFFIRMATIVE DEFENSES

The following affirmative defenses nullify any potential claims asserted by the Division. Respondents reserve the right to amend this Answer to assert additional defenses after completion of discovery.

First Affirmative Defense

The Securities Division cannot meet the applicable standards for any of the relief it is seeking.

Second Affirmative Defense

The Notice fails to state a claim upon which relief can be granted.

Third Affirmative Defense

No one suffered any injuries or damages as a result of Respondents' alleged acts.

Fourth Affirmative Defense

Neither an administrative penalty nor any other financial consequence or remedy are appropriate.

Fifth Affirmative Defense

The requested remedies are barred as either vague, ambiguous, overbroad, or a combination of the three.

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Sixth Affirmative Defense

The requested remedies are barred as a violation of due process.

Seventh Affirmative Defense

The requested remedies are beyond the scope of the Commission’s jurisdiction or lawful authority.

Eighth Affirmative Defense

The Securities Division cannot prove any violations of A.R.S. § 44-1962.

Ninth Affirmative Defense

Mr. Waszolek did not engage in dishonest or unethical practices in the securities industry within the meaning of A.R.S. § 44-1962(A)(10) as defined by A.A.C. R14-4-130(A).

Tenth Affirmative Defense

A.R.S. § 44-1962(B) is inapplicable and the Securities Division, at most, is entitled to the revocation of Mr. Waszolek’s registration.

Eleventh Affirmative Defense

A.R.S. § 44-2032 is inapplicable.

Twelfth Affirmative Defense

Any claims for “affirmative action” or other alleged financial remedies or consequences are neither warranted nor contemplated by the Securities Act of Arizona or the Commission’s Rules of Procedure.

Thirteenth Affirmative Defense

Any financial consequence or remedy imposed by the Commission will be in violation of Respondents’ state and federal rights to a jury trial.

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Fourteenth Affirmative Defense

It is not in the public interest to impose any financial consequence or remedy against Respondents.

Fifteenth Affirmative Defense

Regardless of whether it finds that it has jurisdiction or authority, the Commission must use its discretion not to impose any financial consequences or remedies.

Sixteenth Affirmative Defense

If the Commission has authority or jurisdiction to impose any alleged financial consequences or remedies, it is limited to imposing a \$5,000 administrative penalty.

Seventeenth Affirmative Defense

Any claims for “affirmative action” or other alleged financial remedies are barred as caused by the acts of others over whom Respondents had no control, and for whose acts Respondents are not legally answerable.

Eighteenth Affirmative Defense

Any claims for “affirmative action” or other alleged financial remedies are barred as caused by intervening and/or supervening events over which Respondents had no control and for which Respondents are not legally answerable.

Nineteenth Affirmative Defense

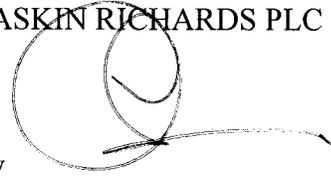
Respondents allege such other affirmative defenses set forth in the Arizona Rules of Civil Procedure 8(c) or elsewhere as may be determined to be applicable during discovery.

RESPECTFULLY SUBMITTED this 11th day of August, 2016

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...

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BASKIN RICHARDS PLC



By _____
Alan S. Baskin
29014 North Central Avenue, Suite 1150
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*Attorney for Respondents John Anthony
Waszolek and Kathleen Waszolek*

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ORIGINAL and thirteen copies of the foregoing
filed this 11th day of August, 2016 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

COPY of the foregoing hand-delivered
this 11th day of August, 2016 to:

Matthew J. Neubert
Director of Securities
Securities Division
Arizona Corporation Commission
1300 W. Washington Street, 3rd Floor
Phoenix, AZ 85007

Hearing Officer
Hearing Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

COPY of the foregoing e-mailed/mailed
this 11th day of August, 2016 to:

James D. Burgess
Securities Division
Arizona Corporation Commission
1300 W. Washington St., 3rd Floor
Phoenix, AZ 85007

Kathleen Waszolek